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June 21, 1994

The Honorable Reed E. Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814, Mail Stop 0101
Washington, D.C. 20554

FEDERAL COMMUNICATIONS
COMMISSION
OFFICE OF THE
SECRETARY

JUN 21 '94

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Re: PP Docket No. 93-253 Ex Parte Presentation

Dear Chairman Hundt:

As the Commission proceeds toward finalization of auction rules for broadband Personal Communications Services ("PCS"), it is important that the agency take into account the unique needs of the State of Alaska and Alaskan local exchange carriers ("LECs"). In particular, it is important that the Commission not adopt licensing policies which effectively foreclose PCS opportunities for Alaskan LECs. Details follow.

Background

United Utilities, Inc. ("United") is a local exchange carrier certificated by the Alaska Public Utilities Commission ("APUC") to provide exchange service to 58 remote Alaskan Bush Villages. United owns a half-interest in the satellite earth stations used to provide MTS service to many of those communities. United has participated actively in the Joint Board proceedings leading to the Commission's recent decision in CC Docket No. 83-1376. United accordingly is well-qualified to express views on the unique factors characterizing the Alaskan communications market, and Commission policies in respect thereof.

As the record in Docket No. 83-1376 makes clear, telephone service in and to Alaska is unlike that of any other State: the expansive geography, the widely scattered communities, and the climatic extremes combine to present serious challenges for the provision of even basic telephone service. This should be kept in mind when fashioning PCS rules.

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Discussion

The Commission's rules for PCS contemplate licensing on a Major Trading Area ("MTA") and Basic Trading Area ("BTA") basis. However, the entire State of Alaska is comprised of only three BTAs corresponding to the three major population centers of Anchorage, Fairbanks and Juneau. The numerous communities located in the Alaskan Bush are assigned to one or another of these three BTAs. These communities are served by various local exchange carriers, each of which holds a certificate from the APUC; these carriers do not serve the three principal population centers mentioned above. Hence, these companies should not be forced to bid for licenses, and construct facilities, for an entire BTA -- or even more than one BTA -- when their only interest is in serving the particular communities for which they are certificated. Otherwise, some of the very rural telephone companies for which Congress decreed the implementation of "Designated Entity" preferences, namely Alaskan LECs, could find themselves foreclosed from participation in PCS.

The Commission should ensure that APUC - certified exchange carriers will be able to provide PCS services to their franchised communities without requiring them to serve other areas as well. In particular, United urges that at least 10 MHz of broadband PCS spectrum be set aside for the APUC-certificated exchange carrier serving each Bush community. Such carriers should be afforded flexibility in deciding when to seek such licenses, in determining the areas within their communities which require PCS services, and in building out PCS facilities.

Insofar as auctions are concerned, United would submit that, since only one entity would be eligible for the spectrum set aside (the LEC certificated to serve the Village in question), there would be no mutual - exclusivity and, hence, no statutory basis for use of auctions. 47 U.S.C §309(j)(1). Any compensation requirement which otherwise might be authorized for such spectrum should be limited to no more than a pro rata amount of the winning bid for the BTA(s) in which the Village(s) is (are) located, i.e. an amount based on the population of the certificated communities for which licenses are awarded to a particular LEC and the amount of spectrum licensed. Alaskan LECs should also be offered the benefit of other preferences (such as installment payments) developed in the auction context.

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Conclusion

The Commission should set aside spectrum for Alaskan LECs so as to ensure that they can have a meaningful opportunity to participate in the provision of PCS services.

Sincerely,

A handwritten signature in cursive script, appearing to read "William K. Keane".

William K. Keane
Counsel for
United Utilities, Inc.

WKK:tjg

cc: All Commissioners
Secretary (two copies)